



0000095787

Arizona Corporation Commission

BEFORE THE ARIZONA CORPORATION COMMISSION

**DOCKETED**

MAR 29 2001

2 WILLIAM A. MUNDELL  
Chairman  
3 JIM IRVIN  
Commissioner  
4 MARC SPITZER  
Commissioner

DOCKETED BY	<i>NAC</i>
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6 IN THE MATTER OF COMMISSION )  
7 CONSIDERATION AND POSSIBLE ACTION )  
8 ON REQUESTS FOR REHEARING AND )  
9 RECONSIDERATION TO MODIFY DECISION )  
10 NO. 63364, ADOPTING THE )  
11 ENVIRONMENTAL PORTFOLIO STANDARD )  
12 RULES )

DOCKET NO. RE-00000C-00-0377

DECISION NO. 63486ORDER

13  
14 Open Meeting  
15 March 29, 2001  
16 Phoenix, Arizona

17 BY THE COMMISSION:

FINDINGS OF FACT

18 1. On February 8, 2001, the Commission entered Decision No. 63364, adopting the  
19 Environmental Portfolio Standard Rules.

20 2. Five parties to the docket filed timely applications for rehearing and reconsideration  
21 of Decision No. 63364.

22 3. On March 9, 2001, the Commission granted the applications for rehearing to provide  
23 Staff an opportunity to review the requests and prepare recommendations to the Commission for its  
24 consideration and possible action. The Staff Report reflecting Staff's recommendations was filed and  
25 mailed to interested parties on March 15, 2001.

26 4. On March 13, 2001, Tucson Electric Power Company (TEP) filed comments on the  
27 applications for rehearing. TEP's comments addressed the application filed by Arizona Public Service  
28 Company and agree with Staff's recommendations.

29 5. Staff's recommendations are summarized below.

30 a. The rule R14-2-1618.F should be modified as follows:

Photovoltaic or solar thermal electric resources that are located  
on a consumer's premises shall count toward the Environmental  
Portfolio Standard applicable to the current Load-Serving Entity

1 serving that consumer unless a different Load-Serving Entity is  
2 entitled to receive credit for such resources under the provisions  
of R14-2-1618.C.3.a.

- 3 b. Decision No. 63364 should be modified by this order to provide the  
4 cooperatives an exemption from the rules as follows:
- 5 (i) Affected Utilities, which are nonprofit, member-owned cooperatives  
6 should be exempt, at their own election, from compliance with the  
7 Environmental Portfolio Standard Rules, including the portfolio  
8 percentage requirements set forth in R14-2-1618.B, for a period of 180  
9 days from the effective date of the order. Cooperatives electing  
10 exemption status should file a notice in this docket within 30 days of  
11 the effective date of the order.
- 12 (ii) Notwithstanding their exemption from compliance with the  
13 Environmental Portfolio Standard Rules, the exempt cooperatives  
14 could, at their own option, collect the Environmental Portfolio  
15 Surcharge authorized by R14-2-1618.A.2 and apply the proceeds so  
16 collected toward meeting the Environmental Portfolio percentage at the  
17 180-day exemption period expiration, unless the exemption period is  
18 extended by the timely filing of a plan or by order of the Commission.
- 19 (iii) On or before the expiration of the 180-day exemption period, exempt  
20 cooperatives should file for Commission consideration a plan for  
21 meeting their portfolio requirements. In the alternative, a cooperative  
22 could file a request stating good cause why the exemption period  
23 should be extended. The timely filing of a plan or request for extension  
24 should extend the exemption period until the Commission considers  
25 and acts upon the plan or the request.
- 26 c. Representatives of the exempt cooperatives should meet with Staff and  
27 representatives of the Rural Utilities Service and other appropriate federal  
28 agencies to discuss these matters to work towards achieving mutual goals  
within the context of the Environmental Portfolio Standard Rules.
- d. Section R14-2-1618.E should be deleted from the rules.
- e. Section R14-2-1601.39 should be deleted from the rules.
- f. All other matters raised in the five applications for rehearing or reconsideration  
filed in this docket should be denied by the Commission.

#### 26 CONCLUSIONS OF LAW

- 27 1. Pursuant to the Arizona Constitution, Article XV, Section 3 and the Arizona Revised  
28 Statutes, Title 40 generally, the Commission has jurisdiction over this matter.

2. The Commission, having reviewed the applications, Staff's Report filed March 15, 2001, and Staff's Memorandum dated March 20, 2001, concludes that it is in the public interest to approve and adopt Staff's recommendations.

ORDER

THEREFORE, IT IS ORDERED that R14-2-1618.F be modified as proposed in Finding of Fact No. 5.a.

IT IS FURTHER ORDERED that Affected Utilities, which are nonprofit, member-owned cooperatives shall be exempt, at their own election, from compliance with the Environmental Portfolio Standard Rules, including the portfolio percentage requirements set forth in R14-2-1618.B, for a period of 180 days from the effective date of the order. Cooperatives electing exemption status shall file a notice in this docket within 30 days of the effective date of the order.

IT IS FURTHER ORDERED that the exempt cooperatives may, at their own option, collect the Environmental Portfolio Surcharge authorized by R14-2-1618.A.2 and apply the proceeds so collected toward meeting the Environmental Portfolio percentage at the 180-day exemption period expiration, unless the exemption period is extended by the timely filing of a plan or by order of the Commission.

IT IS FURTHER ORDERED that on or before the expiration of the 180-day exemption period, exempt cooperatives shall file for Commission consideration a plan for meeting their portfolio requirements. In the alternative, a cooperative may file a request stating good cause why the exemption period should be extended. The timely filing of a plan or request for extension shall extend the exemption period until the Commission considers and acts upon the plan or the request.

IT IS FURTHER ORDERED that representatives of the exempt cooperatives shall meet with Staff and representatives of the Rural Utilities Service and other appropriate federal agencies to discuss these matters to work towards achieving mutual goals within the context of the Environmental Portfolio Standard Rules.

IT IS FURTHER ORDERED that Section R14-2-1618.E shall be deleted from the rules.

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1 IT IS FURTHER ORDERED that Section R14-2-1601.39 shall be deleted from the rules.

2 IT IS FURTHER ORDERED that all other matters raised in the five applications for rehearing  
3 or reconsideration filed in this docket are denied.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5  
6 **BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

7   
8 CHAIRMAN  COMMISSIONER  COMMISSIONER

9 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive  
10 Secretary of the Arizona Corporation Commission, have  
11 hereunto, set my hand and caused the official seal of this  
12 Commission to be affixed at the Capitol, in the City of  
13 Phoenix, this 27<sup>th</sup> day of March, 2001.

14   
15 BRIAN C. McNEIL  
16 Executive Secretary

17 DISSENT: \_\_\_\_\_

18 DRS:BEK:lhbm  
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25  
26  
27  
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## 1 SERVICE LIST FOR: ENVIRONMENTAL PORTFOLIO STANDARD RULEMAKING

2 DOCKET NO. RE-00000C-00-0377

3 Carl Dabelstein  
4 Citizens Communications Company  
5 2901 North Central Avenue, Suite 1660  
6 Phoenix, Arizona 85004

7 Daniel Musgrove  
8 Universal Entech, LLC  
9 5501 North 7<sup>th</sup> Ave., PMB 233  
10 Phoenix, AZ 89013

11 Jessica Youle, Sr. Staff Attorney  
12 Salt River Project  
13 Mail Station PAB300  
14 P. O. Box 52025  
15 Phoenix, Arizona 85072-2025

16 Jana Brandt, Reg. Agcy. Rep.  
17 Salt River Project-  
18 Mail Station PAB221  
19 P. O. Box 52025  
20 Phoenix, Arizona 85072-2025

21 Christopher Hitchcock, Esq.  
22 HITCHCOCK & HICKS  
23 P.O. Box 87  
24 Bisbee, AZ 85603

25 Ms. Betty Pruitt  
26 ADOC-EO  
27 3800 N. Central, #1200  
28 Phoenix, AZ 85012

Arturo Rivera, Pres.  
Renewable Technology Co.  
1242 E. Washington St., Ste 200  
Phoenix, AZ 85034

Robert S. Lynch  
Arizona Transmission Dependent Utility Group  
340 E. Palm Lane, Suite 140  
Phoenix, AZ 85004-4529

Lee Tanner  
Electrisol, Ltd.  
1215 E. Harmont Dr.  
Phoenix, AZ 85020

- 1 Dale Rogers
- 2 Rocketdyne Division
- 3 Boeing North America
- 4 P.O. Box 7922-MS FA-66
- 5 Canoga Park, CA 91309-7922
- 6 Steve Chalmers
- 7 Powermark Corporation
- 8 4044 E. Whitton
- 9 Phoenix, AZ 85018
- 10 Michael Neary
- 11 Ariseia
- 12 2034 N. 13<sup>th</sup> Street
- 13 Phoenix, AZ 85001
- 14 Jan Miller
- 15 SRP
- 16 1600 N. Priest Dr.
- 17 Tempe, AZ 85281
- 18 Vincent Hunt
- 19 City of Tucson
- 20 4004 S. Park Ave., Bldg. #2
- 21 Tucson, AZ 85714
- 22 Michelle L. Hart
- 23 Photocomm, Inc.
- 24 7681 E. Gray Road
- 25 Scottsdale, AZ 85260
- 26 Harry Braun, III
- 27 Stirling Energy Systems
- 28 6245 N. 24<sup>th</sup> Parkway, Suite 209
- Phoenix, AZ 85016
- Robert Walker
- Entech, Inc.
- 1077 Chisolm Trail
- Keller, TX 76248
- Moneer H. Azzam
- ASE Americas
- 4 Suburban Park Drive
- Billerica, ME 01821
- Ray Dracker
- Bechtel Corporation
- P.O.Box 193965
- San Francisco, CA 94119
- Barry L. Butler, PH.D
- Science Applications Int'l Corp.
- 10260 Campus Point Drive - MS-C2
- San Diego, CA 92121

1 Robert H. Annan  
2 6605 E. Evening Glow Drive  
3 Scottsdale, AZ 85262

4 Rick Gilliam  
5 LAW Fund  
6 2260 Baseline Road, Suite 200  
7 Boulder, CO 80302

8 Vahan Garboushian  
9 Amonix, Inc.  
10 3425 Fujita Street  
11 Torrance, CA 90505

12 Dan Greenberg  
13 Ascension Technology  
14 235 Bear Hill Road  
15 Waltham, ME 02154

16 Kathy Kelly  
17 Corp. for Solar Technology & Renewable  
18 6863 W. Charleston  
19 Las Vegas, NV 89117

20 Rick Mack  
21 TEP  
22 220 W. 6<sup>th</sup> Street  
23 Tucson, AZ 85701

24 Solar Energy Industries Assoc.  
25 1111 19<sup>th</sup> St. N, Suite 260  
26 Arlington, VA 22209-1712

27 Howard Wenger  
28 Pacific Energy Group  
32 Valla Court  
Walnut Creek, CA 94596

33 Jim B. Combs  
34 Conservative Energy Systems  
35 40 W. Baseline, Suite 112  
36 Mesa, AZ 85210

37 James H. Caldwell, Jr.  
38 CEERT  
39 P.O. Box 26  
40 Tracy's Landing, MD 20779

41 Herb Hayden  
42 APS  
43 P.O.Box 53999 - Mail Station 9110  
44 Phoenix, AZ 85072-3999

45 Eric Wills  
46 Daggett Leasing Corporation  
47 20668 Paseo De La Cumbre  
48 Yorba Linda, CA 92887

- 1 Alphonse Bellac  
York Research Corporation
- 2 6 Ladyslipper Lane  
Old Lyme, CT 06371
- 3
- 4 Jane Weissman  
PV4U
- 5 15 Hayden Street  
Boston, Massachusetts 02131-4013
- 6 David Berry  
Resource Management International, Inc.
- 7 302 N. First Avenue, Suite 810  
Phoenix, AZ 85003
- 8
- 9 Barry M. Goldwater, Jr.  
Ariselia
- 10 3104 E. Camelback Road, Suite 274  
Phoenix, AZ 85016
- 11 Frank Brandt  
1270 E. Appalachian Road
- 12 Flagstaff, AZ 86004
- 13 Christy Herig  
1617 Cole Blvd.
- 14 Golden, CO 80401
- 15 Mark Randall  
Daystar Consulting, LLC
- 16 P.O. Box 761  
Clarksdale, AZ 86324
- 17
- 18 Jane Winiecki  
Yavapai-Apache Nation  
Economic Development Authority
- 19 P.O. Box 1188  
Camp Verde, AZ 86322
- 20
- 21 Fred Sanchez  
Yavapai-Apache Nation  
P.O. Box 1188
- 22 Camp Verde, AZ 86322
- 23 Phyllis Bigpond  
Inter Tribal Council of Arizona
- 24 2214 N. Central, Suite 100  
Phoenix, AZ 85004
- 25
- 26 Robert Jackson  
Colorado River Indian Tribes  
Route 1 - Box 23-B
- 27 Parker, AZ 85334
- 28

- 1 Steven Brown  
Yavapai Tribe  
530 E. Merritt  
2 Prescott, AZ 86301
- 3 Rory Majenty  
Ft. McDowell Mohave Apache Indian Community  
4 P.O. Box 17779  
Fountain hills, AZ 85269
- 5 Rick Tewa  
6 Office of Economic Development  
The Hope Tribe  
7 P.O. Box 123  
Kykotsmovi, AZ 86039
- 8 Debbie Tewa  
9 Native Sun  
P.O. Box 660  
10 Kykotsmovi, AZ 86039
- 11 Cameron Danies  
Hualapai Tribe  
12 P.O. Box 179  
Peach Springs, AZ 86434
- 13 Jimmy Daniels  
14 Navajo Tribal Utility Authority  
P.O. Box 170  
15 Ft. Defiance, AZ 86504
- 16 Leonard Gold  
398 S. Mill Avenue, Suite 306  
17 Tempe, AZ 85281
- 18 Steve Secrest  
Golden Genesis Company  
19 P.O. Box 14230  
Scottsdale, AZ 85267
- 20 Jeff Schlegel  
21 1167 W. Samalayuca Drive  
Tucson, AZ 85704-3224
- 22 Clyde Hostetter  
23 3055-190 N. Red Mountain  
Mesa, AZ 85207
- 24 ACAA  
25 2627 N. 3<sup>rd</sup> Street, Suite 2  
Phoenix, AZ 85004
- 26 Michael Grant  
27 Gallagher & Kennedy  
2575 E. Camelback Rd.  
28 Phoenix, AZ 85016

1 Peter Glaser  
2 Shook, Hardy & Bacon, LLP  
3 600 14<sup>th</sup> Street, N.W., Suite 800  
4 Washington, DC 20005-2004

5 David G. Calley  
6 Southwest Windpower, Inc.  
7 2131 N. First Street  
8 Flagstaff, AZ 86004

9 Kenneth R. Saline  
10 K.R. Saline & Associates  
11 160 N. Pasadena, Suite 101  
12 Mesa, AZ 85201-6764

13 Tom Lepley  
14 Phaser Energy Co.  
15 4202 E. Evans Drive  
16 Phoenix, AZ 85032

17 Mike Patterson  
18 Rt.1 - Box  
19 Swansea  
20 Lone Pine, CA 83545

21 Derrick Rebello  
22 Quantum Consulting  
23 2030 Addison Street  
24 Berkeley, CA 94704

25 Bryan Scott Canada  
26 620 E. Broadway Lane  
27 Tempe, AZ 85282

28 C. Webb Crockett  
Fennemore Craig  
3003 N. Central Avenue, Suite 2600  
Phoenix, AZ 85012-2913

Scott Wakefield  
RUCO  
2828 N. Central Avenue, Suite 1200  
Phoenix, AZ 85004

Douglas C. Nelson  
Douglas C. Nelson, P.C.  
7000 North 16<sup>th</sup> Street, Suite 120-307  
Phoenix, AZ 85020

Chris Sherring  
PVI  
171 Commercial Street  
Sunnyvale, CA 94086

1 Chris King  
Utility.Com, Inc.  
828 San Pablo Avenue  
2 Albany, CA 94706

3 Donald W. Aitken, PH.D  
Union of Concerned Scientists  
4 2397 Shattuck Avenue, Suite 203  
Berkeley, CA 94704  
5

6 Barbara Klemstine  
P.O. Box 53999  
7 Phoenix, AZ 85072-3999

8 David Couture  
TEP  
220 W. 6<sup>th</sup> Street  
9 P.O. Box 711  
Tucson, AZ 85702-0711  
10

11 David L. Deibel  
City of Tucson  
P.O. Box 27210  
12 Tucson, AZ 85726-7210

13 Paul R. Michaud  
Martinez & Curtis  
14 2712 North 7<sup>th</sup> Street  
Phoenix, AZ 85006-01090  
15

16 Jon Wellingshoff  
411 Wedgewood Drive  
Henderson, NV 89014  
17

18 Edward Salgian  
Distributed Energy Association of Arizona  
7250 North 15<sup>th</sup> Street, Suite 102  
19 Phoenix, AZ 85020-5270

20 Thomas Hine  
10632 North 11<sup>th</sup> Street  
21 Phoenix, AZ 85020

22 Steven M. Wheeler  
Thomas L. Mumaw  
23 Jeffrey B. Guldner  
Snell & Wilmer  
24 One Arizona Center  
Phoenix, AZ 85004  
25

26 Raymond S. Heyman  
Roshka, Heyman & DeWulf  
400 North Fifth Street, Suite 1000  
27 Phoenix, AZ 85004-3902  
28

1 Kenneth C. Sundlof, Jr.  
2 Jennings, Strouss & Salmon, P.L.C.  
3 Two N. Central, 16<sup>th</sup> Floor  
4 Phoenix, AZ 85004-2393

5 Jana Van Ness  
6 Manager, State Regulations  
7 Arizona Public Service Company  
8 P.O. Box 53999 MS 9905  
9 Phoenix, AZ 85072-3999

10 Daniel Musgrove  
11 Universal Entech, LLC  
12 5501 N. 7<sup>th</sup> Ave., PMB 233  
13 Phoenix, AZ 85013

14 Michael W. Patten  
15 Roshka Heyman & DeWulf, PLC  
16 Two Arizona Center  
17 400 N. 5th St., Ste 1000  
18 Phoenix, AZ 85004-3906

19 Russell E. Jones  
20 Waterfall Economidis Caldwell Hanshaw & Villamana  
21 5210 E. Williams Circle, Ste 800  
22 Tucson, AZ 85711

23 Hearing Officer  
24 Arizona Corporation Commission  
25 1200 West Washington Street  
26 Phoenix, AZ 85007

27 Deborah R. Scott  
28 Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007